

FILED

APR 23 2012

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR
AGENCY ACTION OF KERR-MCGEE OIL &
GAS ONSHORE LP FOR AN ORDER
SUSPENDING APPLICATION OF CERTAIN OF
THE BOARD'S ORDERS IN THE CAUSE NO. 179
SERIES AND UTAH ADMIN. CODE RULES
R649-3-2, R649-3-10 AND R649-3-11 (1) AND (2)
INSOFAR AS THEY PERTAIN TO LANDS
WITHIN THE PONDEROSA FEDERAL
EXPLORATORY UNIT COVERING PORTIONS
OF TOWNSHIPS 9 AND 10 SOUTH, RANGE 23
EAST, SLM, UINTAH COUNTY, UTAH

**MOTION FOR LEAVE TO
SUBSTITUTE AND REPLACE
EXHIBIT "Q"**

Docket No. 2012-016

Cause No. 179-17

COMES NOW, Petitioner Kerr-McGee Oil & Gas Onshore LP ("KMG"), acting by and through its attorneys, Beatty & Wozniak, P.C., and pursuant to Utah Admin. Code Rule R641-105-300, and hereby requests the Board of Oil, Gas and Mining (the "Board") for leave to substitute and replace Exhibit "Q" with the Replacement Exhibit "Q" attached hereto and by this reference incorporated herein. In preparation for the hearing in this Cause, it was discovered that the economic assumptions used in preparation of the original Exhibit "Q" (\$6/mcf gas; \$60/bbl. of oil) were not reflective of more current and realistic projected conditions. The Replacement Exhibit "Q" reflects more current and realistic projected conditions (\$3/mcf gas; \$100/bbl. of oil).

Exhibits filed later than 30 days before the scheduled hearing date may be allowed by the Board upon good cause shown (*see* Utah Admin. Code Rule R641-105-500). The

hearing on this matter is scheduled for April 25, 2012 in Richfield. At this time, there are no adverse parties or any other parties that have made an appearance in this matter. As a consequence, and for the reasons outlined above, KMG respectfully requests this Motion for Leave be granted and the attached Replacement Exhibit "Q" be substituted for and replace the original Exhibit "Q" currently on file in this Cause.

Respectfully submitted this 23rd day of April, 2012.

BEATTY & WOZNIAK, P.C.

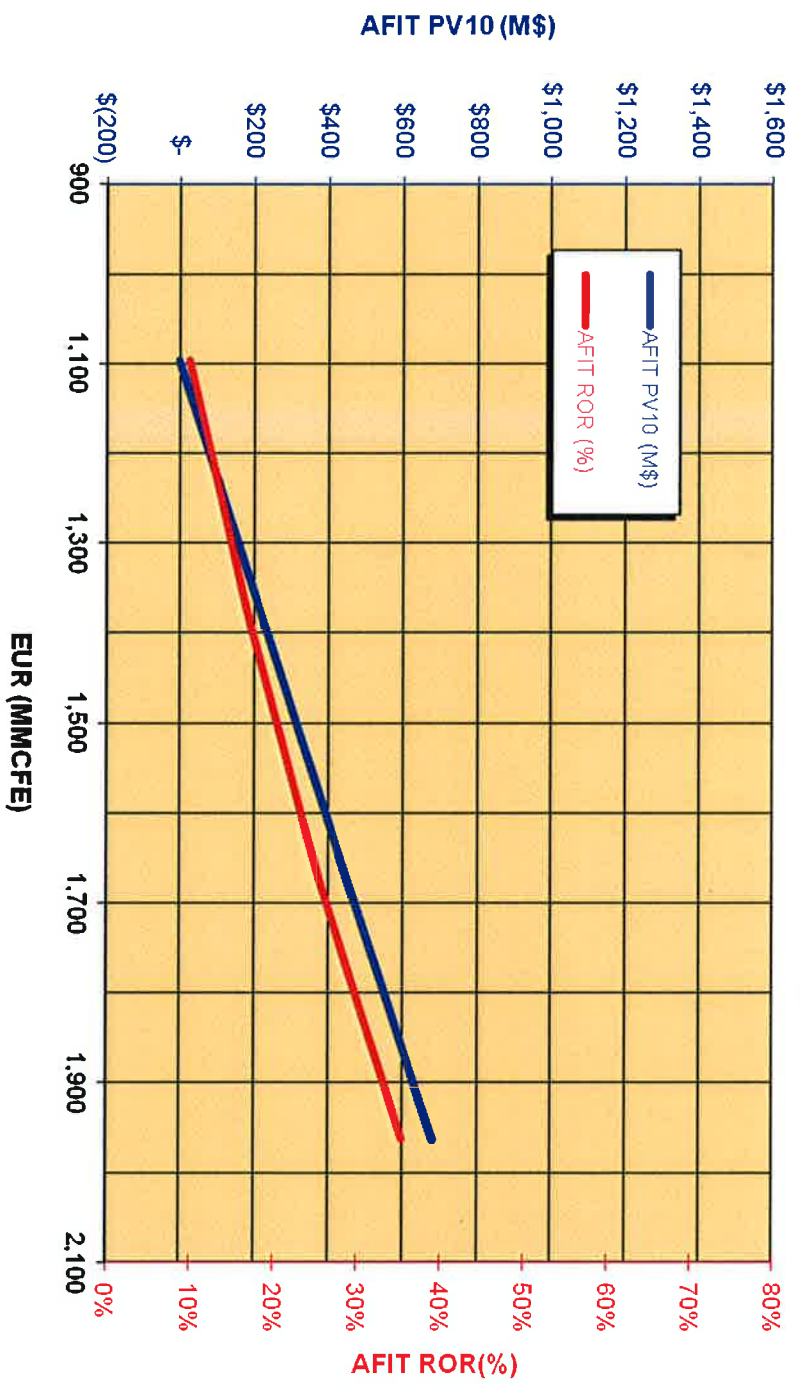
By: 

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Sandy, UT 84093
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Attorneys for Petitioner Kerr-McGee Oil & Gas
Onshore LP

2031.286
229514

Ponderosa Unit Area Economic Sensitivity to Reserves



Assumptions:

VI	100%
NRI	80%
Capital \$	\$ 1,225 MM
Fixed LOE \$	\$700/Month
Gas Price	\$3
Oil Price	\$100
Di	80 Bonanza Central
b	1.6 Bonanza Central
De	6 Bonanza Central

EUR (MMCFE)	AFIT PV10 (M\$)	AFIT ROR (%)
1963	682	0.36
1676	453	0.26
1387	224	0.17
1097	-5	0.10

RETIREMENT EXHIBIT 'Q'

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER SUSPENDING APPLICATION OF CERTAIN OF THE BOARD'S ORDERS IN THE CAUSE NO. 179 SERIES AND UTAH ADMIN. CODE RULES R649-3-2, R649-3-10 AND R649-3-11 (1) AND (2) INsofar AS THEY PERTAIN TO LANDS WITHIN THE PONDEROSA FEDERAL EXPLORATORY UNIT COVERING PORTIONS OF TOWNSHIPS 9 AND 10 SOUTH, RANGE 23 EAST, SLM, Uintah County, Utah

**ORDER GRANTING LEAVE TO
SUBSTITUTE AND REPLACE
EXHIBIT "Q"**

Docket No. 2012-016

Cause No. 179-17

The Board of Oil, Gas and Mining, having fully considered Kerr-McGee Oil & Gas Onshore L.P.'s Motion for Leave to Substitute and Replace Exhibit "Q" filed on April 23, 2012, and finding good cause therefore, hereby grants said Motion and authorizes the Substitution and Replacement Exhibit "Q" attached to the Motion for Exhibit "Q" currently on file in this Cause.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this ____ day of April, 2012.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: _____
James T. Jensen, Chairman

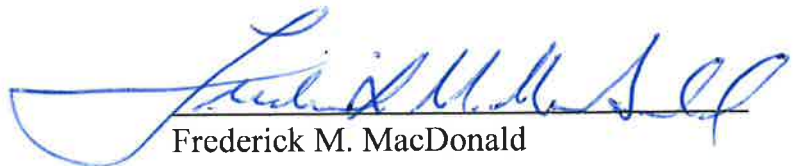
CERTIFICATE OF SERVICE

The undersigned certifies that he caused true and correct copies of the foregoing Motion For and attached Proposed Order Granting Leave to Substitute and Replace Exhibit "Q" to be mailed both electronically and by regular mail, properly addressed and postage pre-paid, to each of the following parties this 23rd day of April, 2012:

United States of America
Bureau of Land Management
Utah State Office
Attn: Roger L. Bankert
Chief-Branch of Fluid Minerals
P.O. Box 45155
Salt Lake City, UT 84145-0155
E-mail: rbankert@blm.gov
E-mail: mcoultha@blm.gov

State of Utah School and Institutional Trust
Lands Administration
Attn: LaVonne Garrison
Assistant Director, Oil and Gas
675 East 500 South, Suite 500
Salt Lake City, UT 84102
E-mail: lavonnegarrison@utah.gov

United States of America
Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078
E-mail: jkenczka@blm.gov



Frederick M. MacDonald

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